

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

FLYING CEMENT COMPANY LIMITED

Year Ended June 30, 2023

This statement is being presented to comply with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (CCG/Regulations) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance. Flying Cement Company Limited ("the Company") has applied the principles contained in the CCG in the following manner:

1. The total number of directors are 7 as per the following:

Description	Number of Directors
a. Male	06
b. Female	01

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Pervaiz Ahmad Khan Mr. Omar Naeem
Non-Executive Directors	Mr. Kamran Khan Mr. Yousaf Kamran Khan
Executive Directors	Mr. Momin Qamar Mr. Qasim Khan
Female Director (Non-Executive)	Mrs. Samina Kamran

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including Flying Cement Company Limited.

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies, along with their date of approval or updating, is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act 2017 (the "Act") and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. All the directors are either exempt or have acquired the prescribed certification under Directors' Training Program.

10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary and head of internal audit, including their remuneration and terms and conditions of employment, and complied with relevant requirements of Regulations.

11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

a) Audit Committee:

Mr. Omar Naeem	Chairman
Mr. Yousaf Kamran Khan	Member
Mrs. Samina Kamran	Member

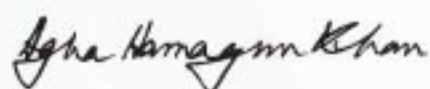
b) HR & Remuneration Committee:

Mr. Pervaiz Ahmad Khan	Chairman
Mr Momin Qamar	Member
Mr Yousaf Kamran	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committee was as per following.
- Audit Committee 04
 - HR and Remuneration Committee 02
15. The Board has set up an effective internal audit function which comprises of professionals suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company
16. The statutory auditors of Flying Cement Company Limited have confirmed that they have been given a satisfactory rating under the Quality Control Review programme of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with the Audit Oversight Board of Pakistan that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on the code of ethics, as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relatives (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act, 2017. These Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with; and (a) in respect of regulation 6(1), the Company believes that it has sufficient impartiality and is able to exercise independence in decision making within the Board and hence, does not require to roundup the fraction to 3 independent directors.
19. Explanations for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 are below.

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1.	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee, as and when needed so a separate committee is not considered to be necessary	29(1)
2.	Risk Management Committee The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management Committee and senior officers of the Company have performed the requisite functions and apprise the Board accordingly.	30(1)

On behalf of the Board of Directors



AGHA HAMAYUN KHAN
Chief Executive

Dated: October 04, 2023

INDEPENDENT AUDITOR'S I REVIEW REPORT

To the members of Flying Cement Company Limited

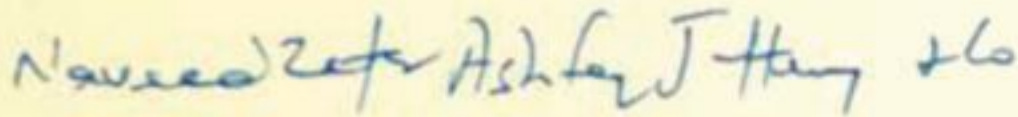
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Flying Cement Company Limited for the year ended June 30, 2023 with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance within the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to Our attention which causes us to believe that Compliance does not appropriately reflect the company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023



Naveed Zafar Ashfaq Jaffery & Co.,
Chartered Accountants

Place: Lahore
Date: October 04, 2023